

# Contrarian Value Equity Fund



► Temperament. Duration. Alpha.

June 2025 Commentary | ISIN for Class D USD: IE00BF5FMG44

MARKETING COMMUNICATION

## Our investment approach

- Contrarian investing is where quality and value meet.
- It starts with the best ideas not the index.
- It requires a patient temperament to generate long-term growth without taking investors off a cliff.

## Portfolio Management Team



**Brian A. Selmo**

24 years in the industry



**Mark Landecker**

23 years in the industry

*What do we mean by temperament and duration? Inside, we share the fund's return drivers, portfolio positioning and put the spotlight on a stock bought/sold.*

## Performance and markets

Global equity markets continued their upward trajectory in June, despite uncertainty around trade policy and ongoing geopolitical tensions. Against this backdrop, the Nedgroup Investments Contrarian Value Equity Fund delivered a strong return of 6.4%, outperforming the MSCI ACWI benchmark, which returned 4.5% in US dollar terms.

Communication Services was the standout sector. Meta Platforms led gains, buoyed by renewed investor enthusiasm for AI and a surge in AI-related capital expenditure. We continued to trim our position, consistent with our valuation-driven sell discipline. Nintendo also contributed meaningfully, with record-breaking sales of the Switch 2, now the fastest-selling console in the company's history. In line with our valuation discipline, we reduced our position in Nexon following a rally driven by its share buyback programme.

Information Technology also added to performance. Analog Devices (ADI) was the top contributor in the sector, as earnings exceeded expectations and accelerating bookings signalled a potential cyclical upturn in analogue semiconductors. We continued to trim our position in Broadcom, following strong performance.

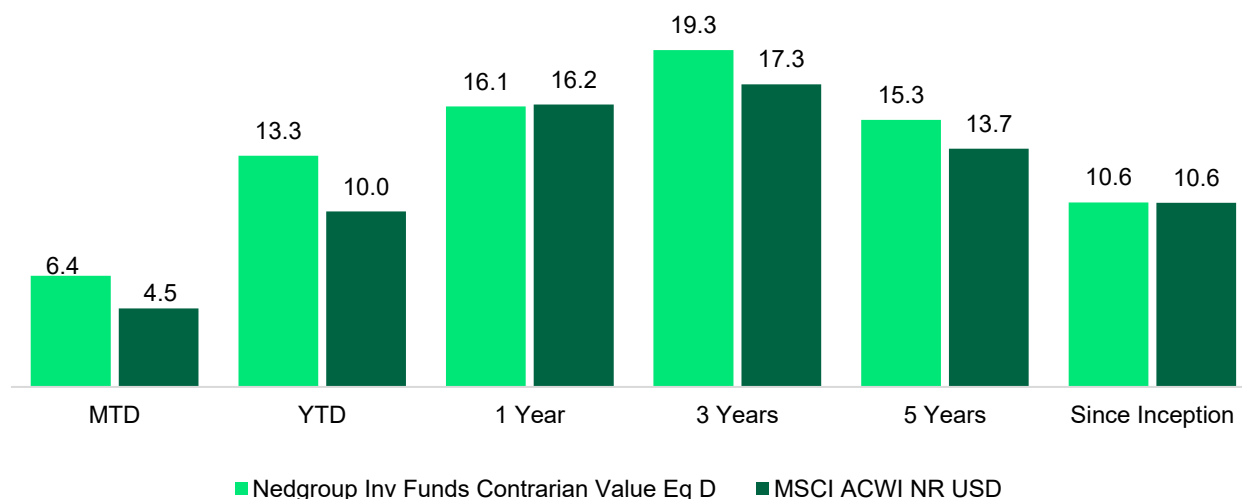
Industrials saw robust gains. Ferguson Enterprises rose nearly 20% after delivering blowout earnings and raising its outlook. Strength in non-residential sales, disciplined margin management, and easing deflation supported the results. A buyback extension and 5% dividend hike further reinforced its shareholder-friendly profile—attributes we value highly in management teams given our focus on durability. We added to our position in Fortune Brands, a complementary name to Ferguson.

In Aerospace & Defence, Safran boosted investor confidence with a series of positive developments: a deal with HAL India, a joint venture to develop next-gen military helicopter engines, and a ramp-up in engine orders as Boeing's 737 MAX production accelerated. We trimmed our position in Howmet Aerospace, which has performed strongly since our initial investment during the pandemic.

Over the course of the month, we have been reducing exposure to areas that have performed well, including banks, to make room for new opportunities like Amrize, the US spin-off of Holcim and Hoshizaki, a Japanese domiciled global distributor of commercial refrigeration and ice machines—a name we've tracked for several years and now see as attractively valued.

## Fund performance

*Past performance is not indicative of future performance and does not predict future returns*



*Fund returns are in US\$ based on Class D Accumulation. MSCI index returns are with net dividends reinvested. Source: Morningstar, Nedgroup Investments.*

## Key return drivers

### Stock contribution: Month to date

Winners	Contribution (%)	Losers	Contribution (%)
Amrize Ltd	0.87%	Heineken Holding N.V.	-0.17%
Meta Platforms	0.78%	Aon Plc	-0.13%
Citigroup	0.63%	Intl Flavors & Fragrances	-0.12%
Holcim/Amrize	0.57%	Pernod Ricard	-0.05%
Analog Devices	0.55%	PG&E Corp	-0.04%

### Stock contribution: Year to date

Winners	Contribution (%)	Losers	Contribution (%)
Holcim/Amrize	1.62%	Alphabet	-0.59%
Meta Platforms	1.57%	Intl Flavors & Fragrances	-0.53%
Safran	1.37%	CarMax	-0.49%
JDE Peet's	1.35%	ICON	-0.41%
Citigroup	1.25%	Comcast Corporation	-0.28%

Sector contribution	Month to date (%)	Year to date (%)
Communication Services	1.56%	2.63%
Consumer Discretionary	0.57%	0.60%
Consumer Staples	-0.08%	2.09%
Energy	0.11%	0.16%
Financials	0.66%	1.67%
Health Care	0.35%	0.09%
Industrials	1.40%	3.95%
Information Technology	1.08%	1.62%
Materials	0.54%	0.99%
Real Estate	0.00%	0.00%

Performance, contribution data and positioning information as of reporting month end. Source: FPA, Factset, Nedgroup Investments

## Portfolio positioning

Top 10 holdings	Portfolio weight	Sector breakdown	Portfolio weight
Meta Platforms	5.9%	Communication Services	21.0%
Alphabet	5.7%	Consumer Discretionary	12.5%
Analog Devices	5.0%	Consumer Staples	8.1%
Citigroup	4.8%	Energy	2.2%
TE Connectivity Plc	4.5%	Financials	10.0%
Comcast Corp	4.3%	Health Care	4.3%
Safran Sa	3.5%	Industrials	13.5%
Heineken Holding Nv	3.4%	Information Technology	11.3%
Amazon Com	3.4%	Materials	10.3%
Intl Flavors & Fragrances	3.2%	Real Estate	0.0%
<b>Total</b>	<b>43.7%</b>	<b>Total</b>	<b>93.3%</b>

## Stock spotlight: Richemont

Over the past 15 years, the **luxury goods sector** has consistently outpaced global GDP, driven by enduring demand for products that blend craftsmanship, heritage, and status. Among its many segments, **jewellery** has emerged as the most resilient and profitable—less vulnerable to seasonal trends and creative turnover than fashion, and more deeply rooted in timeless design and emotional value.

At the forefront of this sector is **Richemont**, the Swiss luxury powerhouse behind iconic maisons like **Cartier** and **Van Cleef & Arpels (VCA)**. Cartier, with its century-old Panther motif, and VCA's Alhambra collection—launched nearly 60 years ago—are not just accessories; they are cultural symbols. These brands have built reputations over decades, allowing them to command premium pricing and maintain strong margins even during economic downturns.

**Jewellery's durability is reflected in Richemont's performance:** its top brands consistently generate higher revenues than all other major jewellery houses combined. This resilience and profitability make Richemont a compelling long-term investment.

Richemont is a key holding in the Nedgroup Investments Contrarian Value Equity Fund. The company aligns perfectly with the Fund's strategy of investing in high-quality compounders—companies with enduring value, strong fundamentals, and the ability to thrive even when market sentiment is weak.

This position was 1.63% of the portfolio as at month-end.

*Performance, contribution data and positioning information as of reporting month end. Source: FPA, Factset, Nedgroup Investments*

## Contact us

**Email:** [Clientsolutions@nedgroupinvestments.com](mailto:Clientsolutions@nedgroupinvestments.com)

**London:** 7th Floor, 12 Arthur Street, EC4R 9AB, +44 (0) 7960 901396

## Disclaimer

This is a marketing communication. Please refer to the prospectus, the key investor information documents (the **KIIDs/PRIIPS KIDs**) and the financial statements of Nedgroup Investments Funds plc (the **Fund**) before making any final investment decisions.

The documents applicable to the Fund are available from Nedgroup Investments (IOM) Ltd (the **Investment Manager**) or via the website: [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com).

This document is intended for information purposes only, it is not intended for distribution to any person or entity who is a citizen or resident of any country or other jurisdiction where such distribution, publication or use would be contrary to law or regulation. The views expressed herein are those of the Investment Manager / Sub-Investment Manager at the time and are subject to change, and whilst all reasonable steps were taken to ensure that this document is accurate and current at the time of publication, we shall accept no responsibility or liability for any inaccuracies, errors or omissions relating to the information and topics covered in this document.

The Fund is domiciled in Ireland, authorised and regulated by the Central Bank of Ireland. The Fund is a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended. Nedgroup Investment (IOM) Limited (reg no 57917C), the Investment Manager and Distributor of the Fund, is licensed by the Isle of Man Financial Services Authority. The Depositary of the Fund is Citi Depositary Services Ireland DAC, 1 North Wall Quay, Dublin 1, Ireland. The Administrator of the Fund is Citibank Europe plc, 1 North Wall Quay, Dublin 1, Ireland.

The sub-funds of the Fund (the **Sub-Funds**) are generally medium to long-term investments and the Investment Manager does not guarantee the performance of an investor's investment and even if forecasts about the expected future performance are included the investor will carry the investment and market risk, which includes the possibility of losing capital.

The price of shares may go down or up depending on fluctuations in financial markets outside of the control of the Investment Manager meaning an investor may not get back the amount invested. Past performance is not indicative of future performance and does not predict future returns.

Risks and fees are outlined in the relevant Sub-Fund supplement.

Prices are published on the Investment Manager's website.

**Distribution:** The Investment Manager may decide to terminate the arrangements made for the marketing of its collective investment undertakings in accordance with Art 93a of Directive 2009/65/EC and Art 32a of Directive 2011/61/EU.

**Switzerland:** The Representative is Acolin Fund Services AG, Maintower, Thurgauerstrasse 36/38, 8050 Zurich, whilst the Paying agent is Banque Heritage SA, Route de Chêne 61, CH-1211 Geneva 6. Nedgroup Investments (IOM) Limited is affiliated to the Swiss ombudsman: Verein Ombudsstelle Finanzdienstleister (OFD), Bleicherweg 10, CH-8002 Zurich.

**U.K:** Nedgroup Investments (UK) Limited (reg no 2627187), authorised and regulated by the Financial Conduct Authority, is the facilities agent. The Fund and certain of its sub-funds are recognised in accordance with Section 264 of the Financial Services and Markets Act 2000.

**Isle of Man:** The Fund has been recognised under para 1 sch 4 of the Collective Investments Schemes Act 2008 of the Isle of Man. Isle of Man investors are not protected by statutory compensation arrangements in respect of the Fund.